United Nations A/55/342

General Assembly

Distr.: General
31 August 2000

Original: English

Fifty-fifth session
Item 116 (b) of the provisional agenda*
Human rights questions: human rights questions, including alternative approaches for improving the effective enjoyment of human rights and fundamental freedoms

Globalization and its impact on the full enjoyment of all human rights

Preliminary report of the Secretary-General**

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* A/55/150 and Corr.1 and 2.

** In accordance with General Assembly resolution 54/248, sect. C, para. 1, this report is being submitted on 31 August 2000 so as to include as much updated information as possible.

00-62974 (E) 191000

I. Introduction

1. In its resolution 54/165 of 17 December 1999, the General Assembly requested the Secretary-General, taking into account the different views of Member States, to submit a comprehensive report on globalization and its impact on the full enjoyment of all human rights to the General Assembly at its fifty-fifth session.

2. The present preliminary report is submitted in response to that request. It is the intention of the Secretary-General to explore the issues and solicit the initial reactions of States before submitting the final report. For the preparation of that report, the written views of Member States will be sought and partner agencies will be brought into the process.

3. The present preliminary report has been written on the basis of reports of United Nations departments, programmes and funds, as well as the outcome document adopted at the twenty-fourth special session of the General Assembly, entitled "World Summit for Social Development and beyond: achieving social development for all in a globalizing world" (A/S-24/8/Rev.1, chap. III).

4. In particular, the report draws on paragraph 4 of the political declaration of the twenty-fourth special session as expressing the views of Member States concerning globalization. Specifically, in paragraph 4, it is noted that:

> "Globalization and continuing rapid technological advances offer unprecedented opportunities for social and economic development. At the same time, they continue to present serious challenges, including widespread financial crises, insecurity, poverty, exclusion and inequality within and among societies. Considerable obstacles to further integration and full participation in the global economy remain for developing countries, in particular the least developed countries, as well as for some countries with economies in transition. Unless the benefits of social and economic development are extended to all countries, a growing number of people in all countries and even entire regions will remain marginalized from the global economy."

II. Globalization — issues and challenges

5. Globalization is a term often used without any formal definition. The United Nations Development Programme *Human Development Report 1999* noted that globalization is not new, but that the present era of globalization has distinctive features. Shrinking space, shrinking time and disappearing borders are linking people's lives more deeply, more intensely, more immediately than ever before.[1] The present report assumes that globalization is multidimensional. It can be broken down into numerous complex and interrelated processes that have a dynamism of their own, resulting in both varied and often unpredictable effects. While there have been previous eras that have experienced globalization, the present era has certain distinctive features, including, although not limited to, advances in new technology, in particular information and communications technology, cheaper and quicker transport, trade liberalization, the increase in financial flows and the growth in the size and power of corporations. In order to advance a constructive exchange of views on globalization, States might consider conveying to the Secretary-General their views on how globalization might best be defined and approached from the perspective of human rights.

6. While many people are benefiting from new opportunities for travel and from new communications technology, new levels of wealth through increased trade, investment and capital flows, others are being left behind, in poverty, effectively marginalized from the hopes that globalization holds out.

7. Globalization therefore presents an important challenge to the international community. Over 50 years ago, the international community agreed, within the framework of the Universal Declaration of Human Rights, that, "Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized". According to the norms and standards of international human rights law, such an international and social order is one that promotes the inherent dignity of the human person, respects the right of people to self-determination and seeks social progress through participatory development and by promoting equality and non-discrimination in a peaceful, interdependent and accountable world.[2]

8. The norms and standards of international human rights law have an important role in providing principles for globalization. At the same time, the international rules established under the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO), and the macroeconomic policies of the International Monetary Fund (IMF) and the World Bank play a significant role in shaping and directing globalization. While the norms and standards of international human rights law stress participation, non-discrimination, empowerment and accountability, the global economy stresses economic objectives of free trade, growth, employment and sustainable development. The challenge facing the international community is to ensure that these two sets of objectives can be brought together to meet the commitment to a social and international order conducive to the enjoyment of all human rights. "The Global Compact" with business proposed by the Secretary-General in 1999 is an example of a strategy designed to address issues such as these.

9. The present report begins with an examination of the framework of international economic rules and policies from the perspective of the principles and goals of human rights law. This examination is followed by an overview of the principal effects of globalization as they have so far been identified by the reports of United Nations organizations, programmes and agencies, specifically as a result of trade liberalization, the increase in international financial flows, the advances in information and communications technology and the growth in the size and power of transnational corporations. The report concludes that the norms and standards of human rights are crucial to a full assessment of the cultural, political, social, environmental and economic dimensions of globalization.

III. The global economy and human rights

10. While various national, regional as well as international rules and policies drive many of the processes of globalization, in particular liberalization, deregulation and privatization, the trade rules established within the framework of the World Trade Organization (WTO) Agreement (the WTO agreements) and the macroeconomic policies of international financial institutions have a particularly strong influence in shaping the workings of the global economy. A review of the global economy as it functions within the framework of the policies of the international financial institutions and the rules of WTO will assist in establishing the extent to which an enabling environment supportive of the enjoyment of human rights exists.

11. The global economy is of course only one aspect in the creation of a social and international order conducive to the enjoyment of human rights. A just, efficient and equitable social order must also exist at the national level. Good governance at the national level is therefore an essential element. Good governance is important, not only from the perspective of ensuring respect for human rights at the national level, but as a means of incorporating and implementing international norms faithfully. The following issues are raised to solicit responses from States on the diverse effects of globalization at the national, regional and international levels, as a means of developing understanding for a constructive exchange of views on globalization.

A. The World Trade Organization agreements

12. On 15 April 1995, the Members of the General Agreement on Tariffs and Trade (GATT) signed the Final Act of the Uruguay Round of Multilateral Trade Negotiations, a document including the various agreements setting rules relevant to trade in goods, services and intellectual property. The various agreements set the principles for trade liberalization, as well as the permitted exceptions, and established a procedure for settling disputes. As a result of the Uruguay Round, WTO, the organization responsible for strengthening the rule of law governing international trade, was created.

13. There is an unavoidable link between the international trading regime and the enjoyment of human rights. Economic growth through free trade can increase the resources available for the realization of human rights. However, economic growth does not automatically lead to greater promotion and protection of human rights. From a human rights perspective, questions are raised: does economic growth entail more equitable distribution of income, more and better jobs, rising wages, more gender equality and greater inclusiveness? From a human rights perspective, the

challenge posed is how to channel economic growth equitably to ensure the implementation of the right to development and fair and equal promotion of human well-being.

14. There are points of potential convergence between trade principles and objectives and the norms and standards of international human rights law. Looking at the WTO agreements themselves, the guiding principles can be said to mirror, to some extent, the principles of human rights law and, as such, to provide an opening for a human rights approach to the international trade regime.

15. The WTO agreements seek to create a liberal and rules-based multilateral trading system under which enterprises from Member States can trade with each other under conditions of fair competition. The goals of WTO itself link the objectives of increasing living standards, full employment, the expansion of demand, production and trade in goods and services with the optimal use of the world's resources, in accordance with the objective of sustainable development. The agreements seek to achieve these ends by establishing rules geared towards reducing barriers to trade and ensuring respect for the principle of non-discrimination among Member States. The WTO agreements also encourage preferential treatment in favour of developing countries and least developed countries in the form of special assistance and longer implementation periods, the non-prohibition on export subsidies and the obligation to consider constructive remedies in anti-dumping actions against imports from developing countries.

16. The goals and principles of the WTO agreements and those of human rights law do, therefore, share much in common. Goals of economic growth, increasing living standards, full employment and the optimal use of the world's resources are conducive to the promotion of human rights, in particular the right to development.[3] Parallels can also be drawn between the principles of fair competition and non-discrimination under trade law and equality and non-discrimination under human rights law. Furthermore, the special and differential treatment offered to developing countries under the WTO rules reflects notions of affirmative action under human rights law.

17. These parallels can even be traced to the origins of GATT. It will be recalled that, in 1945, the United Nations was established to uphold peace on the foundations of respect for human rights and economic and social progress and development. The International Trade Organization, which was envisaged in the Havana Charter for an International Trade Organization of 1947, included the International Bank for Reconstruction and Development (IBRD) and IMF as part of that vision. Article XX of the original GATT recognized non-trade public interest values in particular cases where values and rules conflict. Article XX provided that nothing in the Agreement should be construed to prevent the adoption or enforcement by any contracting party of measures necessary to protect public morals, necessary to protect human, animal or plant life or health, relating to the products of prison labour, relating to the conservation of exhaustible natural resources if such measures were made effective in conjunction with restrictions on domestic production or consumption or essential to the acquisition or distribution of products in general or local short supply. The exceptions referred to call to mind the protection of the right to life, the right to a clean environment, the right to food and to health, the right to self-determination over the use of natural resources and the right to development and freedom from slavery, to mention a few. The exceptions under GATT give rise to the question: to what extent does article XX indicate a point of convergence between trade rules and international human rights law? The challenge ahead is to develop the human rights aspects incorporated in international trade law, in particular as a result of the inclusion of article XX, so that the development and implementation of trade rules promote the social and international order envisaged under article 28 of the Universal Declaration of Human Rights.

18. While the goals and principles of the WTO agreements and international human rights law converge to some extent, the rules which have been adopted to achieve the goals of the former do not always produce results that are consistent with human rights imperatives. To take a case in point, specific issues arise in relation to the standards set concerning intellectual property rights.

19. First, the minimum standards for the protection and enforcement of intellectual property rights included under the Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS agreement) have led to the expression of concerns of balance and fairness.[4] Issues have been raised in

relation to the protection of the intellectual property of indigenous peoples and local communities. It has been said that, while some of the standards in the TRIPS agreement are relevant to the protection of the knowledge and technology of these groups, the question arises whether the standards established under the TRIPS agreement are sufficient to provide comprehensive protection to the intellectual property of indigenous peoples and local communities. It has been pointed out, for example, that, in spite of the relevance of intellectual property of indigenous peoples to the development of modern technology, including biotechnology and technology relevant to the protection of the environment, universities and companies have taken and developed traditional medicines and other knowledge, protecting the resulting technology with intellectual property rights, without the equitable sharing of the benefits and profits with the original holders of that knowledge. It has also been contended that the TRIPS agreement, in its present form, has not been effective in preventing such uses of culture and technology. One question that has been raised from a human rights perspective is: how can international rules be adapted to protect and promote the cultural rights of indigenous peoples and other groups?[5]

20. Similarly, questions have been raised over the adequacy of the TRIPS agreement in addressing the needs of developing countries, generally technology users, to access needed technology for development and the protection of the environment.[6] Figures related to patent applications demonstrate an overwhelming presence of technology holders in developed countries.[7] Furthermore, an examination of the flow of royalty fees indicates that the overwhelming proportion of payments and receipts of royalties and licence fees flow between countries with high incomes. For example, in 1998, while sub-Saharan Africa paid US$ 273 million in royalty and licensing fees, and Europe and Central Asia paid US$ 723 million, high-income countries paid US$ 53,723 million. To put this in perspective, high-income countries dwarf the rest of the world in royalty and licencing fee receipts, with high-income countries receiving US$ 63,051 million and the rest of the world only US$ 1,283 million.[8]

21. While there are many complex reasons explaining the concentration of technology holders and technology transfer in and among developed countries, the figures are significant. Given the importance of technology to development, the TRIPS agreement has implications for the enjoyment of human rights, in particular the right to development, which need to be explored further.

22. The Committee on Economic, Social and Cultural Rights issued a statement to the Third Ministerial Conference of WTO noting that human rights norms must shape the process of international economic policy formulation so that the benefits for human development of the evolving international trading regime will be shared equitably by all, in particular the most vulnerable sectors.[9] The Committee stated its willingness to collaborate with WTO in the realization of economic, social and cultural rights.

B. The policies of international financial institutions

23. The implementation of macroeconomic policies, in particular through the projects and programmes of the international financial institutions, has also played a significant role in shaping globalization. The design and implementation of structural adjustment programmes has heightened concerns that macroeconomic policies do not sufficiently accommodate the need to promote and protect human rights. The special rapporteur of the working group on structural adjustment programmes established by the Economic and Social Council has noted that, while such programmes might be necessary and in fact beneficial for economic growth and social development, their design has generally been motivated by the objective of ensuring repayment of interest on debts owed to international creditor institutions and not by the promotion and protection of human rights.[10] The Committee on Economic and Social Rights has underlined the importance of including the promotion and protection of human rights within the framework of structural adjustment programmes.[11]

IV. The effects of globalization: preliminary remarks

24. While the rules and policies of the global economy are important in shaping an international and social order conducive to the protection of human rights, the active features of globalization, the growth in trade and financial flows, the new information and

communication technology and the growth in size and power of corporations, have a dynamism of their own which affect human rights in ways beyond the rules and policies referred to above. The following section identifies issues needing further research concerning some of the possible impacts of these processes on the enjoyment of human rights. The summary of issues is built on recognition of the many positive effects that the processes of globalization have on the enjoyment of human rights for many. However, from a human rights perspective, the principles of equality and non-discrimination underline the importance of promoting the human rights of all. This concern forms the basis for the identification of the issues that follow. The issues are identified in order to assist States in identifying factors relevant for a continuing dialogue on globalization.

A. Advances in communications and information technology

25. One of the most influential elements in the globalization process has been the explosion of information and communications technology. The Internet has enabled people from different regions and cultures to communicate rapidly and across great distances and to access information quickly. Indeed, the Internet is the fastest growing communications tool, with more than 140 million users as at mid-1998, and the number of users expected to pass 700 million by 2001.[12]

26. In addition, communications networks can foster advances in health and education. The Internet has enabled the interconnection of civil society, which has had a direct impact on the promotion and protection of human rights. The successful organization of civil society has been assisted by the interconnection of individuals and interested groups made possible through modern telecommunication and information technology.

27. In spite of the benefits flowing from information and communications technology, the uneven spread of new technology can also result in the marginalization of people. World Bank figures indicate that while in high-income countries there are 607 Internet hosts per 10,000 people, in sub-Saharan Africa and in South Asia there are, respectively, only 2 and 0.17 hosts per 10,000 people. Similarly, while in high-income countries, there are, on average, 311 people per 1,000 with personal computers, in Latin America and the Caribbean, there are only 34, and in South Asia there are only 2.9 per 1,000.[13] In the *Human Development Report, 1999*, it has been noted that, in spite of the positive effects of the new technology, it also introduces problems of marginalization. The report characterizes marginalization in the form of divisions by geographical location (countries of the Organisation for Economic Cooperation and Development (OECD) have 91 per cent of connections), education (30 per cent of users have at least one university degree), income (only wealthy people and countries can afford Internet connections) and language (80 per cent of web sites are in English).[14]

28. The new technology can also be used to abuse human rights, in particular through the spread of hate speech. The Internet, in particular, has been used for the propagation of racism, child pornography and religious intolerance through the spread of violent, sexist, pornographic, anti-minority and anti-religious hate speech and images. The technical difficulty of regulating the content of messages broadcast through the Internet makes it a particularly effective means of misusing the freedom of expression and inciting discrimination and other abuses of human rights. This aspect of the Internet poses particular problems for Governments as protectors of human rights. It will be one of the key issues at the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, which is to be held in Durban, South Africa, in 2001.

B. Liberalization of trade and financial flows

29. In recent years, many countries, spurred on by liberalizing international and regional trade policies, have based their development strategies on increasing integration into the global financial and trading systems. This has led to a dramatic increase in world exports of goods and services, from $4.7 trillion in 1990 to $7.5 trillion in 1998.[15] Today, nearly one fifth of all goods and services produced are being traded internationally.[16] The results have generally been an increase in capital inflows and outflows and a growth in the share of external trade relative to national income.

30. Increased trade and investment has brought significant benefits to many nations and people. There

is evidence to suggest that increased trade and investment are related to higher rates of economic growth and productivity.[17] A recent WTO study suggests that trade provides an important contribution to the economic growth of nations and may ultimately lead to the alleviation of poverty.[18]

31. However, dismantling trade barriers and the growth of international trade does not always have a positive impact on human rights.[19]

32. For example, while some nations have benefited from impressive increases in trade and financial flows over the past decade, other countries have not fared so well.[20] The *Human Development Report 2000* noted that, in 1998, least developed countries, with 10 per cent of the world population, accounted for only 0.4 per cent of global exports, representing a consistent fall from 0.6 per cent in 1980 and 0.5 per cent in 1990. Sub-Saharan Africa's share declined to 1.4 per cent, down from 2.3 per cent in 1980 and 1.6 per cent in 1990.[21] Similarly, capital flows tended to remain highly concentrated between developed countries, or to a limited number of developing countries. For example, in 1998, the 10 top developing country recipients accounted for 70 per cent of foreign direct investment (FDI) flows.[22] In 1998, the 48 least developed countries received only $3 billion of the total FDI flow of $600 billion that year.

33. These figures raise several questions for further consideration: to what extent are the figures connected to trade and financial liberalization? To what extent are they related to a failure to liberalize trade and finance effectively? What other factors cause the low rates of foreign direct investment? To what extent do they identify the benefits of globalization being shared unevenly or at different rates? Finally, how could a human rights approach to trade liberalization correct perceived inequalities in international trade and investment?

34. It should be recognized that the trade protectionism, which the liberalization of trade is now replacing, can have a negative impact on the promotion and protection of human rights. The uneven distribution of trade and finance is not helped by the significant restrictions on trade that often face developing countries. Indeed, as developing countries open up their economies, they are often faced with significant trade barriers or restricted access in their areas of natural comparative advantage, such as agriculture or textiles.[23] For example, a report of the Department of Economic and Social Affairs notes that, in the agricultural sector, the total level of support in the form of subsidies for agriculture in OECD countries averaged $350 billion during the period from 1996 to 1998, a figure that represents double the agricultural exports from developing countries over the same period. This makes it difficult for developing countries to compete, which is particularly harmful, given the importance of the agricultural sector as a source of income and employment. Ironically, sub-Saharan Africa has one of the most liberal agricultural sectors in the world, in spite of its small share of the global market.[24]

35. While dismantling barriers to trade and investment opens up markets to new opportunities, a recent study on the social impact of globalization carried out by the International Labour Organization (ILO) found that it can also leave countries vulnerable to global economic changes in exchange rates, wages and commodity prices.[25] This vulnerability to external shocks is exacerbated by a lack of sophisticated economic and social structures in many developing countries.

36. Ultimately, trade liberalization and financial deregulation have diverse impacts that are often difficult to assess. Country studies undertaken by ILO also indicate that, while it has the potential to improve people's welfare, globalization occurs in a context of rising inequalities.[26] For example, the final ILO report on country studies states that there is a trend towards wider income inequalities, not only in most of the countries under study, but also in other member States. The report goes on to state that there is little evidence that trade is the main direct factor at work.[27] Further research is needed to clarify any linkages between the processes of globalization, trade liberalization and inequality.

37. While globalization has led to the dismantling of barriers to the trade in goods and services, labour is increasingly restricted inside national and ethnic boundaries. The increasing barriers to trade in labour, and migration in general, have been coupled with a resistance to promote and protect the human rights of migrants. Although the General Assembly adopted the International Convention on the Protection of the Rights of All Migrant Workers and Their Families in 1990, 10 years ago, it still lacks the sufficient number of ratifications by States for it to come into force.

38. The effect of the growth in trade on workers rights is difficult to assess. A study of nine countries undertaken by the Department of Economic and Social Affairs noted that trade liberalization was accompanied by reduced wages, underemployment, informalization of labour and adverse impacts on unskilled labour, particularly in the manufacturing sector.[28] In relation to women's workers' rights, globalization seems to have had the effect of repeating existing patterns of discrimination against women, but on an international scale. The *World Survey on the Role of Women in Development* indicates that, on the positive side, the orientation of manufacturing production towards exports has led to a significant increase in the share of female workers in export industries. In the international financial services sector, women enjoy high rates of employment, increasingly even at higher levels. However, the report also shows that, in the export manufacturing sector, women workers are generally confined to low skill wage occupations, and it appears that, as jobs and wages improve in quality, women tend to be excluded from them.[29] In the informal sector, it appears that women suffer as a result of the growth of trade with imports displacing women, as workers and as small entrepreneurs, disproportionately to men.[30] This is occurring, in spite of the significant role that women play in the globalization process. As the survey states, "it is now a well-known fact that industrialization in the context of globalization is as much female-led as it is export led".[31]

39. It is also important to highlight certain negative aspects of international trade in a globalizing world. In doing so, a distinction is made between the rules and policies of the international community concerning trade liberalization and particular international trade practices in a globalizing world. While the globalization of trade has been accompanied by the growth in particular types of trade that lead to human rights abuses, these should not be confused with international rules and policies that are intended to produce trade liberalization. Nonetheless, a report of the Subcommission on the Promotion and Protection of Human Rights notes that, in some instances, and particularly in impoverished and undemocratic societies, globalization has facilitated trade in the form of international arms transfers, which, in turn, provide the necessary tools for armed conflict.[32] The same report links globalization with an increase in the dumping of environmental waste near the homes of low income or minority groups and notes significant dumping in developing countries. Globalization has also been accompanied by the rise in the international trafficking of drugs, diamonds and even human beings, including children. Such aspects of international trade raise issues of the right to life, the right to a clean environment, and the right to development. Further research is needed into the links between the processes of globalization and negative aspects of international trade and the ways in which policies may be formulated to promote and protect human rights in this regard.

40. The growth of trafficking in women and girls and the sex industry are causes of major concern. Each year, millions of individuals, the vast majority of them women and children, are tricked, sold or coerced into situations of exploitation from which they cannot escape.[33] The causes and effects of trafficking are complex, however several observations are relevant to the discussion of trafficking. First, trafficking in women and girls reflects global inequalities, as it invariably involves movement from a poorer country to a wealthier one.[34] Secondly, trafficking, in particular for prostitution, is becoming more widespread. Crime cartels, operating transnationally, are often the mediator for trafficking, and trafficking for prostitution can be traced to the demand caused by the rapidly expanding global sex industry.[35] As a result, trafficked people suffer abuses of their human rights, in particular freedom from slavery, freedom of movement, freedom from fear, discrimination and injustice.

C. Growth of corporations

41. The need to compete in new and often distant markets has led to a wave of mergers and acquisitions, which have enabled companies to specialize in core competencies that ensure international competitive advantages in particular areas. This, in turn, has led to the phenomenon of the mega-corporation, with cross-border mergers and acquisitions exceeding the value of $1,100 billion in 1999. As a result, some transnational corporations have greater economic wealth than States. A report by the United Nations Research Institute for Social Development (UNRISD) noted that the annual sales of one transnational corporation exceeds the combined gross domestic product of Chile, Costa Rica and Ecuador.[36]

42. The comparative size and power of transnational corporations raises issues that need to be considered. In

a worst case scenario, transnational corporations may be able to use their position of comparative power over States to play nations and communities off against each other in an effort to receive the most advantageous benefits.[37] The relative power of transnational corporations must not detract from the enjoyment of human rights.

43. Questions have been raised about the social costs of schemes to attract foreign investment such as economic processing zones. Questions have also been raised about the employment practices of transnational corporations and their effects on the human rights of their employees. Greater attention is needed in order to devise strategies that link investment policy with the protection of workers' rights. In this regard, ILO has been active in developing strategies for the protection of workers rights, in particular through the development and implementation of the Declaration on Fundamental Principles and Rights at Work, as well as the ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour. In the outcome document of the World Summit for Social Development of July 2000, States committed themselves to improving the quality of work in the context of globalization, including through the promotion of these and other ILO initiatives.[38]

44. Concerns about the impact of the operations of transnational corporations in relation to the protection of cultural diversity were also expressed in the *Human Development Report 1999*.[39] Some commentators fear that failure to give appropriate attention and support to the cultures of local and indigenous peoples, as a counterbalance to foreign influence, could result in pressures on local cultures.[40] Moreover, media control in the hands of a limited number of transnational media corporations can also have implications for the freedom of expression. Highly concentrated media ownership vests powers of censorship in the hands of media owners to determine where and what they publish.[41]

45. At the same time, transnational corporations can play an important role in promoting and protecting human rights. The Global Compact initiative of the Secretary-General, was first proposed in 1999 to challenge business leaders to promote and apply, within their own domains, nine principles derived from international instruments, including the Universal Declaration of Human Rights, to advance human rights, labour and environmental standards.[42] At a meeting held at United Nations Headquarters on 26 July 2000, global leaders from business, labour and civil society met with the Secretary-General to formally launch this initiative. They agreed to work together within the common framework of the Global Compact to strengthen responsible corporate citizenship and the social pillars of globalization through dialogue and operational activities. While the Global Compact is not a substitute for effective action by Governments, or for the implementation of existing or future international agreements, it is a significant step in the direction of voluntary cooperation between the United Nations and the private sector in order to ensure that corporations have a positive impact on the enjoyment of human rights.

V. Conclusions

A. Poverty

46. The above preliminary overview of globalization identifies evidence to suggest that while globalization provides potential for the promotion and protection of human rights through economic growth, increased wealth, greater interconnection between peoples and cultures and new opportunities for development, its benefits are not being enjoyed evenly at the current stage. Indeed, many people are still living in poverty. On the positive side, World Bank figures indicate that the number of people living on less that $1 a day has been relatively stable in the past decade, in spite of an increase in the world's population, and, as a percentage rate, the percentage of people living in extreme poverty decreased from 29 per cent to 24 per cent between 1990 and 1998. Nonetheless, poverty alleviation is uneven. While East Asia and the Pacific, the Middle East and North Africa have had significant reductions in poverty, poverty rates in South Asia, Latin America and the Caribbean and sub-Saharan Africa have remained relatively stable, while Europe and Central Asia have experienced significant increases in poverty.[43] Statistics also reveal that 790 million people suffer from malnutrition, 880 million have no access to basic health services, 900 million adults are illiterate and 20 per cent of the world's population lacks access to safe drinking water. In sub-Saharan Africa, 51 per cent of the population lives in absolute poverty. The majority of people living in poverty are women.[44]

47. Poverty is both a cause and effect of human rights abuses. The Vienna Declaration and Programme of Action, adopted at the World Conference on Human Rights in 1993, affirmed that extreme poverty and social exclusion constitute a violation of human dignity. It is difficult to assess the extent to which the various agents of globalization, trade liberalization, deregulation of finance and the growth of corporations and new technology, lead to or alleviate poverty. A study commissioned by WTO indicates that domestic policy in areas such as education and health has a greater impact on poverty than trade does, and concludes that trade liberalization is generally a positive contributor to poverty allevation.[45] Nonetheless, it is clear that poverty is still a part of the present era of globalization. Given the potential for growth that is offered by globalization, there is a need for more effective strategies to harness this potential as a means of alleviating poverty for all nations and regions.

B. A social and international order

48. The challenge of article 28 of the Universal Declaration of Human Rights, to ensure the entitlement of everyone to a social and international order supportive of the realization of human rights, remains. At the heart of the challenge is the need to examine the social, political, cultural and economic, dimensions of globalization, and the impact they have on the rights of every human being. As the Secretary-General said in his report to the Millennium Assembly:

> "The economic sphere cannot be separated from the more complex fabric of social and political life, and sent shooting off on its own trajectory. To survive and thrive, a global economy must have a more solid foundation in shared values and institutional practices — it must advance broader, and more inclusive, social purposes".[46]

49. The keys to achieving these goals exist. The world conferences of the 1990's set out commitments and programmes for the promotion and protection of human rights, the advancement of women and social development. In June 2000, States agreed on new initiatives to achieve social development during the present era of globalization, including through the constant monitoring of the social impacts of economic policies, the reduction of negative impacts of international financial turbulence on social and economic development, the strengthening of the capacities of developing countries, in particular through the strengthening of capacities for trade as it relates to health, and the integration of social as well as economic aspects in the design of structural adjustment and reform programmes.[47]

50. The goals and programmes are already formulated. The strategy to achieve them lies in acknowledging that the principles and standards of human rights should be adopted as an indispensable framework for globalization. Human rights embody universal shared values and are the common standard of achievement for all peoples and all nations.[48] By adopting a human rights approach, globalization can be examined in its civil, cultural, political, social and economic contexts so that the international community can meet its commitment to an international and social order conducive to respect for human rights. This must be the strategy of governance at all levels — to secure respect of all human rights for everyone.

Notes

[1] United Nations Development Programme (UNDP), *Human Development Report 1999*, Oxford University Press, New York, 1999, p. 1. The report goes on to note that globalization is not a new phenomenon in historical terms, but that it is different today. Some of the characteristics are new markets — foreign exchange and capital markets linked globally, operating 24 hours a day, with dealings at a distance in real time; new tools — Internet links, cellular phones, media networks; new actors — the World Trade Organization (WTO) with authority over national Governments, the multinational corporations with more economic power than many States, the global network of non-governmental organizations (NGOs) and other groups that transcend national boundaries; new rules — multilateral agreements on trade, services and intellectual property, backed by strong enforcement mechanisms and more binding for national governments reducing the scope for national policy.

[2] See articles 1, 2 and 28 of the Universal Declaration of Human Rights, parts I and II of the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights and article 1 of the United Nations Declaration on the Right to Development.

[3] See also articles 3 (Right to life), 23 (Right to work) and 25 (Right to an adequate standard of living) of the Universal Declaration of Human Rights.

[4] It should be noted that the protection of intellectual property is a human right under article 27 of the Universal Declaration of Human Rights and article 15 of the International Covenant on Economic, Social and Cultural Rights. In particular, article 15 (1) (c) notes that "The States Parties to the present Covenant recognize the right of everyone ... to benefit from the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author". Intellectual property rights themselves, as for example those established according to the minimum standards contained in the TRIPS agreement, are not themselves human rights. However they could be a means of promoting and protecting the human right to intellectual property, so long as the granting of such intellectual property rights achieves the balance and fairness required by article 27 of the Universal Declaration and article 15 of the Covenant.

[5] There is of course nothing in the TRIPS agreement that prevents States taking individual action to protect the technology and knowledge of indigenous peoples and local communities.

[6] While article 7 of the TRIPS agreement states that the protection and enforcement of intellectual property rights should contribute to the transfer and dissemination of technology, the agreement does not develop any mechanism to achieve this.

[7] For example: in 1997, patent applications numbered 2,785,420 in high-income countries, while in East Asia and the Pacific they numbered 290,630; in the Middle East and North Africa there were only 1,716 applications; and in sub-Saharan Africa, 392,959, with only 38 of those being filed by residents. See World Bank, *World Development Indicators 2000*, World Bank, Washington, D.C., 2000, table 5.12.

[8] World Bank, op. cit., table 5.12.

[9] See E/CN.12/1999/9, para. 5.

[10] See E/CN.4/1999/47.

[11] See E/1999/22, paras. 378-393. See also, E/C.12/1/Add.7/Rev.1, para. 21.

[12] UNDP, op. cit., p. 5.

[13] World Bank, op. cit., table 5.12.

[14] UNDP, 1999, op. cit., p. 6.

[15] UNDP, *Human Development Report 2000*, Oxford University Press, New York, 2000, p. 82.

[16] UNDP, 1999, op. cit., p. 1.

[17] International Labour Office, *Country studies on the social impact of globalization: final report*, ILO, Governing Body, 276th Session, GB. 276/WP/SDL/1, para. 30.

[18] Ben-David, D. and L. Alan Winters, "Trade, Income Disparity and Poverty", *Special Studies No. 5*, World Trade Organization, WTO Publications, Geneva, 1999.

[19] See E/CN.4/Sub.2/1999/11, para. 3.

[20] Even those countries that have experienced impressive increases in trade and financial flows have suffered downturns and reversals in fortune as a result of financial crises, such as the Asian financial crisis of 1997.

[21] UNDP, 2000, op. cit., p. 82.

[22] A/AC.253/25, para. 41.

[23] See the comments of Joseph Stiglitz, former World Bank chief economist, quoted in E/CN.4/Sub.2/2000/13, para. 14.

[24] A/AC.253/25, para. 21.

[25] International Labour Office, op. cit., para. 68 (f).

[26] Ibid., para. 3.

[27] Ibid.

[28] See Janine Berg and Lance Taylor, "External liberalization, economic performance and social policy", New School for Social Research, Working Paper Series: Globalization, Labour Markets and Social Policy, February 2000. Cited in A/AC.253/25, para. 9.

[29] See E/1999/44, para. 52.

[30] Ibid., para. 55.

[31] Ibid., para. 50.

[32] E/CN.4/Sub.2/1999/8, para. 16.

[33] E/ECE/RW.2/2000/3, para. 1.

[34] Ibid., para. 11.

[35] Ibid., para. 17.

[36] United Nations Research Institute for Social Development, *States of Disarray: The Social Effects of Globalization*, report on the World Summit for Social Development, Geneva, March 1995, p. 153. Similarly, according to the *Human Development Report 1999*, the assets of the top three billionaires are more than the combined gross national product of all least developed countries.

[37] See E/CN.4/Sub.2/1995/11, para. 53.

[38] A/S-24/8/Rev.1, para. 38.

[39] UNDP, 1999, op. cit., para. 4 (f).

[40] E/CN.4/Sub.2/1999/8, para. 19. Also, UNDP 1999, op. cit., p. 5.

[41] Ghai, Y., "Rights, Markets and Globalization: East Asian Experience", *Report of the Symposium on Human Development and Human Rights*, UNDP and the Office of the United Nations High Commissioner for Human Rights, Royal Ministry of Foreign Affairs, Oslo, Norway, 2-3 October 1998, p. 130.

[42] See Mary Robinson, United Nations High Commissioner for Human Rights, *Putting principles into practice: creating a Global Compact with the business sector, 2000*.

[43] World Bank, 2000, op. cit., p. 4.

[44] See UNDP, 1999, op. cit.; *United Nations Action Strategy for Halving Poverty* (25 May 2000); and *United Nations Bulletin on the Eradication of Poverty* (Nos. 1-5).

[45] Ben-David, D. and L. Alan Winters, op. cit.

[46] A/54/2000, para. 25.

[47] See A/S-24/2/Add.2 (Parts I and III), paras. 6 bis, 10, 82, 82 bis and 103 ter.

[48] See *Universal Declaration of Human Rights*, preamble.